

Analysis of Organizational Commitment and Motivation to Employee Performance at PT Panca Pilar Tangguh Medan

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Abstract

The primary focus of this research is to examine how commitment to the organisation affects the motivation of employees and ultimately impacts their performance at PT Panca Pillar Tangguh Medan. A qualitative strategy will be employed in order to delve into the thoughts, feelings, and various elements that play a role in determining employee performance. Through conducting thorough interviews, directly observing behaviour, and analysing relevant documents, this study aims to gain a deeper understanding of the link between organisational commitment and motivation in the workplace. The results showed that high organisational commitment, shown through loyalty and a sense of responsibility to the company, positively contributes to employee performance. In addition, work motivation, both intrinsic and extrinsic, has a significant role in improving productivity and work quality. Factors such as corporate culture, rewards and a supportive work environment were also found to influence employees' commitment and motivation levels. This study provides recommendations for management to improve organisational commitment and work motivation to optimise employee performance.

Keywords: Organisational Commitment, Motivation, Employee Performance, Qualitative Method, PT Panca Pillar Tangguh.

1. Introduction

Human capital plays a crucial role in today's organizations (Kraja & Spahija, 2023). Companies are navigating challenges posed by technology, shifts in the workforce, and global competition. To thrive, organizations must adapt their strategies to nurture the potential of their employees.

Today, employees are regarded as strategic partners rather than mere resources. Their commitment and creativity significantly influence the organization's success. Grasping the dynamics of the workplace is essential for achieving goals. Organizational commitment goes beyond a simple contract; it reflects a profound connection between employees and the organization (Afshari, 2023). This commitment is rooted in shared values and culture. Work motivation is multifaceted, encompassing intrinsic drives and personal aspirations (Alhamidi, 2023). When employees feel appreciated and empowered, they actively contribute to innovation and overall success.

In a time of intense competition in the business world, the success of an organisation relies heavily on the performance of its employees (Apdillah et al., 2022). PT Panca Pilar Tangguh, operating within a specific industry, recognises that understanding the factors that impact employee performance is essential for meeting strategic objectives and enhancing productivity. Key areas of focus in this regard are employee commitment to the organisation and their motivation to excel in their work.



Organisational commitment pertains to the level of attachment and loyalty employees have towards the company's objectives, values and mission.

Employees who demonstrate high commitment are more likely to exhibit dedication, improve the quality of their work, and actively contribute towards achieving company goals. Conversely, work motivation is the inner drive that compels employees to complete tasks and deliver expected outcomes. High motivation can increase work enthusiasm, creativity, and innovation in completing tasks. However, although PT Panca Pilar Tangguh has implemented various programs to increase employee commitment and motivation, there are still challenges in achieving optimal performance. Some employees may feel less involved in the decision-making process or not get enough recognition for their contributions. This can have a negative impact on individual and team performance.

Hence, this research seeks to examine how organisational commitment and motivation affect employee performance at PT Panca Pilar Tangguh. By exploring the correlation between these factors, it is believed that businesses can develop better tactics to enhance employee productivity and foster a positive work atmosphere.

2. Methods

This research used a qualitative approach with a case study design to explore the role of commitment in increasing employee motivation at PT Panca Pilar Tangguh (Creswell, 2014). The data was obtained using a literature technique that involved reviewing scientific journals and articles.

Data was collected through a questionnaire consisting of three parts:

- I. Questions regarding organizational commitment, which were measured using a 5-point Likert scale.
- II. Questions regarding work motivation, which were also measured by a 5-point Likert scale.
- III. Questions regarding employee performance, which included self-assessment as well as appraisal from superiors.

The results of the analysis were interpreted to determine the relationship and influence between organizational commitment and motivation on employee performance. The findings were discussed in the context of theory and practice, and provided recommendations for the management of PT Panca Pilar Tangguh in improving employee performance.

3. Results and Discussion

3.1. Employee Commitment and Motivation

3.1.1. Organisational Commitment

Commitment within an organisation can be seen as a strong willingness to remain a member of that particular organisation, a drive to put in effort towards achieving the organisation's objectives, and a mindset that aligns with the organisation's values and goals. Essentially, organisational commitment is a reflection of an individual's dedication and loyalty to the organisation, as well as an ongoing effort to contribute to the organisation's success and objectives (Luthans & Doh, 2018). Meanwhile, Griffin et al. (2020) state that organisational commitment can be seen as a person's feeling of attachment and obligation to their workplace. When someone has a strong commitment, they are more inclined to view themselves as a dedicated and loyal member of the company.

In addition, Mathis, Jackson, Meglich, and Valentine (2021) suggest that organisational commitment refers to the level of belief and acceptance employees have towards the goals of the organisation, leading to their desire to either stay with the company or eventually leave. This can be observed through rates of absenteeism and employee turnover. Another opinion is also expressed by

Dessler and Varrkey (2005) who defines organisational commitment as a feeling of belief in the organisation's mission, feeling involved with organisational tasks, feeling loyal and loving the organisation as a place for survival and work. Another opinion is also stated by Meyer and Allen (1991) where Organisational commitment is a belief that binds employees to the organisation where they work which is indicated by loyalty, involvement in work, and acceptance of organisational values and goals.

3.1.2. Organisational Commitment Factors

Employee commitment is influenced by a variety of factors. As noted by Dyne et al. (1994), there are three main categories that play a role in determining organizational commitment among employees:

- 1) Personal factors play a significant role in shaping an individual's commitment to the organization. Traits like conscientiousness, extroversion, and optimism have been found to be associated with higher levels of commitment. Additionally, factors such as age and length of employment have been linked to a greater dedication to the organization. Furthermore, the level of education an individual has can impact their expectations and commitment levels, although they may not always align perfectly.
- 2) Situational factors within the workplace also contribute to organizational commitment. Shared workplace values are crucial for fostering strong relationships among employees. Organizational justice, which involves fair resource distribution and equitable decision-making processes, plays a key role in shaping commitment. Moreover, having a meaningful job, autonomy, and receiving feedback can serve as internal motivators for employees.
- 3) Positional factors, such as tenure and job position, can affect employee commitment as well. For example, longer tenure often leads to higher levels of commitment due to the opportunities it provides for taking on challenging tasks. Additionally, holding a high position within the organization can increase both motivation and engagement among employees.

3.1.3. Motivation

Motivation is a crucial factor that organisations must focus on in order to enhance their employees' performance (Noviarita et al., 2021). A study titled 'Exploring the Impact of HR Development, Workplace Atmosphere, Organisational Dedication, and Motivation on Employee Productivity' revealed that internal drive plays a crucial role in enhancing employee performance, emerging as the primary factor influencing their work output (Nugroho, 2024).

External incentives play a crucial role in influencing the productivity of workers (Hidayati & Ermiyanto, 2017). Motivation plays a crucial role in pushing employees to strive for excellence in their tasks, as it instills the belief that the organisation's success in meeting its objectives will also benefit the individuals within the organisation (Potu et al., 2021).

3.1.4. Motivational Factors

Work motivation is shaped by a variety of factors, which can be divided into internal and external influences (Ajabar, 2020). Internal factors focus on personal aspirations and drives, including the desire to live fully, the need for social connections, the quest for respect, the pursuit of recognition, and the ambition for power.

Conversely, external factors involve elements beyond an individual's control, such as a supportive work environment, equitable pay, competent management, job security, and the perceived prestige and

responsibilities tied to a position. Each of these elements is vital in influencing a person's motivation and engagement at work.

The internal drive to live represents a fundamental urge to embrace life and its possibilities, which propels individuals to strive for excellence in their careers. The need for belonging emphasizes the human instinct for social ties and acceptance, motivating people to seek affirmation and support from their workplace. The quest for honor highlights the value of recognition and appreciation in inspiring individuals to reach their full potential. The need for acknowledgment points to the importance of being recognized for one's efforts and successes, acting as a motivational boost. Finally, the aspiration for power signifies a person's desire to influence and make a difference in their professional sphere, fueling their commitment to achieve success.

External factors, such as favorable working conditions, can greatly enhance an individual's motivation by creating an environment conducive to productivity and well-being. Fair compensation is essential in encouraging individuals to give their best by providing just rewards for their hard work. Effective supervision is crucial as it ensures that employees receive the guidance and support they need.

4. Conclusion

An analysis of the data reveals that the commitment and motivation levels within PT Panca Pillar Tangguh Medan significantly impact employee dedication and drive. A strong commitment, marked by loyalty, emotional ties, and accountability, has been shown to directly improve both productivity and the quality of work. Additionally, motivation whether stemming from intrinsic factors like job satisfaction or extrinsic factors such as rewards—plays a crucial role in maintaining employee morale and commitment.

Furthermore, factors like effective communication, a supportive work environment, and inspiring leadership also significantly enhance employee commitment and motivation. Therefore, it is advisable for companies to focus on improving their human resource development efforts, nurturing a positive workplace culture, and establishing fair reward and recognition systems to consistently elevate employee performance.

In summary, the findings indicate that organizational commitment and motivation are essential for driving employee engagement and productivity at PT Panca Pillar Tangguh Medan. By emphasizing these elements and adopting strategies to strengthen them, companies can develop a motivated and committed workforce that consistently delivers high performance.

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